

SENATE BILL No. 113

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10.2-4.

Synopsis: Increase of PERF pension benefits. Provides that the multiplier used in calculating pension benefits for members of the public employees' retirement fund (PERF) who retire after June 30, 2001, is increased from 1.1% to 1.1% plus an additional 0.02% for each year of service over ten years, with a maximum multiplier of 1.5%.

Effective: July 1, 2001.

Waterman

January 8, 2001, read first time and referred to Committee on Pensions and Labor.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

SENATE BILL No. 113

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-10.2-4-4, AS AMENDED BY P.L.195-1999,
2 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2001]: Sec. 4. (a) The computation of benefits under this
4 section is subject to IC 5-10.2-2-1.5.

5 (b) For retirement benefits payable on and after July 1, 1975, for a
6 member retired on and after January 1, 1956, the pension (p) is
7 computed as follows:

8 STEP ONE: Multiply ~~one and one-tenths percent (1.1%)~~ the
9 **applicable percentage (ap) determined under section 4.5 of**
10 **this chapter** times the average of the annual compensation (aac)
11 and obtain a product.

12 STEP TWO: To obtain the pension, multiply the STEP ONE
13 product by the total creditable service (scr) completed by the
14 member on his retirement date.

15 Expressed mathematically:

16 $p = \text{(-011)} \text{ (ap) times (aac) times (scr)}$

17 (c) Unless the member has chosen a lump sum payment under



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section 2 of this chapter or elects to defer receiving in any form the member's annuity savings account under section 2(c) of this chapter, the annuity is the amount purchasable on the member's retirement date by the amount credited to the member in the annuity savings account. The amount purchasable is based on actuarial tables adopted by the board under IC 5-10.2-2-10 at an interest rate determined by the board.

SECTION 2. IC 5-10.2-4-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 4.5. (a) The applicable percentage referred to in section 4(b) of this chapter is one and one-tenth percent (1.1%) for:**

(1) a member of the Indiana state teachers' retirement fund; and

(2) a member of the public employees' retirement fund who retires before July 1, 2001.

(b) For a member of the public employees' retirement fund who retires after June 30, 2001, the applicable percentage referred to in section 4(b) of this chapter is determined in STEP FOUR of the following formula:

STEP ONE: Subtract ten (10) from the member's total years of creditable service.

STEP TWO: Multiply the result determined under STEP ONE by two-hundredths percent (0.02%).

STEP THREE: Add the STEP TWO product to one and one-tenth percent (1.1%).

STEP FOUR: Determine the lesser of:

(A) the STEP THREE sum; or

(B) one and one-half percent (1.5%).

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